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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

INFORMATION REPORT

CD NO.

25X1A2g

COUNTRY China

DATE DISTR.

SUBJECT Communist Sympathizer's Report on Conditions
in Shanghai

NO. OF PAGES 2

PLACE
ACQUIRED ---

NO. OF ENCLS.
(LISTED BELOW)

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SUPPLEMENT TO
REPORT NO.

25X1X

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3. X has no criticisms to make of the Communist administration of Shanghai. He repeated several times that if one observed the laws and regulations, there was no interference by the authorities in one's daily life, although he admitted frequent police visits to his home. He states that there are no more beggars and no more pedlars on the streets of Shanghai. The city is clean. Food is available at reasonable prices; in fact the rice supplied in Shanghai is better than that available in Hong Kong. The currency has been stabilized.
4. On propaganda and news sources, X has the following observations. After the Communists first took Shanghai over in May 1949, there were many Communist parades. These have now ceased. The reason is that the parades were spontaneous expressions of rejoicing by the populace and were financed by them. The authorities gave no financial assistance and as the people could not continue to support parades and celebrations they have died out. As to news, the US and UN releases appear in the English language newspaper but no one including

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X, believes them. The Chinese news releases are believed because they are accurate. X did not have a radio and had no comments on radio news. The city is plastered with posters denouncing US imperialism and capitalism and calling on Chinese to save Korea. But Chinese residents generally are not much impressed by such propaganda; they read it, then go home and forget it.

5. There is employment available for anyone who wants to work, if not in the city, in the country and on the railway lines. One result has been a big movement back to the land. There are plenty of living quarters and of offices now empty in Shanghai. X admires the Communist Government because it is working on the wage theory of "to each according to his needs." A man with a family will receive enough to keep them. The government plans to choke business and industry in Shanghai and transfer them to Tientsin and Canton.
6. Chinese are laughing at the British because the British recognized the Communist Government but the Communist Government did not reciprocate.
7. X obtained his exit permit in 45 days without any difficulty. As to travel funds, when an exit permit is granted the "bank" gives the holder a certificate entitling him to buy a specified sum (in X's case Hong Kong \$200) in foreign currency but the bank itself will not sell him the currency. He must find and buy it privately and must obtain from the seller a certificate that it was bought at the official rate of exchange. This helps to absorb any foreign currency in private hands and conserves the government's foreign exchange holdings. This rule applies to both Chinese and foreigners and to Chinese who are only visiting Hong Kong.
8. X's baggage was searched for contraband five times on the train trip from Shanghai to the Kowloon border. X was irate because the British authorities in Hong Kong would not accept as valid the inoculation certificates issued by the Shanghai public health authorities.
9. Not long ago [date not stated--presumably late spring or early summer] X saw two large ships tied up at the old Nippon Yusen Kaisha wharf in Shanghai. They had the funnel marks, red and white bands, which the Nippon Yusen Kaisha ships bore pre-war. They were not flying any national colors. These were the only two ships other than small coasters which X has seen in Shanghai recently.
10. X denies that he was ever a member of our employees union. However he asked and received severance benefits on the scale set by the union. He states that all of our Chinese employees have now turned against the company and are bitterly anti-US.
11. Despite his admiration for the Communist regime, X does not want to return to Shanghai because he cannot make a good enough living there.

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Area

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